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DRAFT

MEMORANDUM FOR:

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FROM:

25X1A9a

SUBJECT:

Draft Bureau of the Budget Report on Economic Reporting
by the Foreign Service

1. The points in your draft report seem to be well taken and expose a situation that has long needed correction. Several of your recommendations will be of distinct benefit to CIA in the performance of its mission. Namely:

- a. That emphasis should be placed on U. S. strategic interests in foreign economic reporting.
- b. That CIA "spot" requests go directly to an office of Foreign Reporting Services.
- c. That other agencies such as CIA would be encouraged to assign qualified specialists to reporting jobs in the Foreign Service.
- d. That State should create an active collection control mechanism to direct collection rather than passively administer the system as in the past.

2. There are still two points pertaining to your draft which CIA will want to make. These are:

- a. That CIA should have final authority to establish priorities for those critical requirements relating to National Security. It is believed that this responsibility placed on CIA by the National Security Act of 1947 is inescapable. A system of priorities could be arranged which would clearly delineate those requirements which CIA regarded as critical and would permit all other intelligence requirements to be

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fitted into proper perspective with those requirements of the other government departments and agencies not concerned with national security. Adequate machinery exists in the NSC and the IAC to prevent abuse of this system.

x b. CIA should participate in establishing the substantive policies by which the Office of Foreign Reporting Services exercises its responsibilities. The mere expression of the priority of requirements is not adequate assurance that properly trained personnel will be selected and assigned in sufficient numbers to fulfill the requirements. It is believed that CIA should:

x (1) be represented on the Board of the Foreign Service by the Director of CIA or his Deputy.

x (2) assign a liaison officer to the Office of Foreign Reporting Services in order to maintain close and direct liaison.

x 3. It is believed that your report should reflect these points in its recommendation. There is attached a re-draft of the proposed executive order incorporating certain changes which more appropriately reflect CIA's coordinating responsibilities with respect to requirements for the collection of foreign information. It is understood that the report will be transmitted to CIA for formal concurrence prior to promulgation. The opportunity to study your draft in advance of the formal transmittal of the report to CIA is appreciated.

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MEMO

EXECUTIVE ORDER

Providing for the Performance of Foreign Service Reporting Functions.

By virtue of the authority vested in me by Section 311 of the Foreign Service Act of 1946 (60 Stat. 1302), and as President of the United States, it is hereby ordered:

1. The Secretary of State is authorized and directed to prepare and maintain with the cooperation of other interested agencies:

- (a) a comprehensive statement of the foreign data requirements of United States Government agencies to be met through the Foreign Service;
- (b) guiding standards of acceptability and priority for requests for reports, statistics, publications and all other data from the Foreign Service of the United States not related to the National Security.

2. The Secretary of State will receive from the Director of Central Intelligence requests for reports, statistics, publications, and all other data from the Foreign Service of the United States representing the coordinated requirements of the United States Government for information relating to the National Security. Such requests will indicate their relative priority and all requests classed by the Director of Central Intelligence as critical to the interests of National Security will be given the highest priority by the Department of State.

3. The Secretary of State is further authorized:

- (a) to determine priorities for compliance by the Foreign Service among requests from departments and agencies of the Government for reports, statistics, publications and all other data not of critical importance to the National Security; and
- (b) to adjust the requests upon the Foreign Service to the available resources of the Foreign Service.